
HOUSE BILL No. 1403

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-18-2-23; IC 20-23-3; IC 20-25-16-1; IC 20-26; IC 20-33-5; IC 21-2; IC 21-3-1.7.

Synopsis: Elimination of textbook rental program. Abolishes the textbook rental program for public school students. Expands the definition of "textbook" to include materials used in student instruction. Requires school corporations to establish and appropriate money from a textbook fund to purchase all needed textbooks for loan without charge to corporation students. Provides an annual state textbook grant equal to \$95 multiplied by the average daily membership of a school corporation. Requires the deposit of grant funds in the textbook fund.

Effective: July 1, 2006.

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January 12, 2006, read first time and referred to Committee on Education.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1403

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-18-2-23, AS ADDED BY P.L.1-2005,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2006]: Sec. 23. (a) "Textbook" means systematically
4 organized material designed to provide a specific level of instruction
5 in a subject matter category.

6 **(b) The term includes the following:**

7 **(1) Instructional materials that are used by students for more**
8 **than one (1) year, including materials used in special**
9 **education and gifted and talented classes.**

10 **(2) Workbooks and consumable instructional materials that**
11 **are used by students for not more than one (1) school year,**
12 **including workbooks, consumable textbooks, and other**
13 **consumable instructional materials that are used in special**
14 **education and gifted and talented classes.**

15 **(3) Developmentally appropriate materials used:**

16 **(A) for instruction in kindergarten through grade 3,**
17 **laboratories, and children's literature programs; and**



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(B) instead of items described in subdivisions (1) and (2).

SECTION 2. IC 20-23-3-7, AS ADDED BY P.L.1-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) If a school lunch fund is established under section 5 of this chapter, ~~or a textbook rental fund is established under section 6 of this chapter~~, the receipts and expenditures for ~~each~~ **the** program shall be made to and from the ~~proper~~ **school lunch** fund without appropriation or the application of other laws relating to the budgets of local governmental units.

(b) If ~~either the program or both programs~~ under ~~sections~~ **section 5 and 6** of this chapter ~~are~~ **is** operated through the extracurricular account, the township trustee shall approve the amount of the bond of the treasurer of the extracurricular account in an amount the township trustee considers necessary to protect the account for all funds coming into the hands of the treasurer.

SECTION 3. IC 20-25-16-1, AS ADDED BY P.L.1-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. To provide the board with the necessary flexibility and resources to carry out this article, the following apply:

(1) The board may:

- (A) eliminate or modify existing policies;
- (B) create new policies; and
- (C) alter policies;

subject to this article and the plan developed under IC 20-25-10.

(2) IC 20-29 applies to the school city, except for the provision of IC 20-29-6-7(a) that requires any items included in the 1972-1973 agreements between an employer school corporation and an employee organization to continue to be bargainable.

(3) The board may waive the following statutes and rules for any school in the school city without administrative, regulatory, or legislative approval:

(A) The following rules concerning curriculum and instructional time:

- 511 IAC 6.1-3-4
- 511 IAC 6.1-5-0.5
- 511 IAC 6.1-5-1
- 511 IAC 6.1-5-2.5
- 511 IAC 6.1-5-3.5
- 511 IAC 6.1-5-4.

(B) 511 IAC 6.1-4-1 concerning student/teacher ratios.

(C) The following statutes and rules concerning textbooks and rules adopted under the statutes:

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1 IC 20-20-5-1 through IC 20-20-5-4

2 IC 20-20-5-23

3 IC 20-26-12-24

4 ~~IC 20-26-12-26~~

5 IC 20-26-12-28

6 IC 20-26-12-1

7 IC 20-26-12-2

8 511 IAC 6.1-5-5.

9 (D) 511 IAC 6.1-4-2 concerning school principals.

10 (4) Notwithstanding any other law, a school city may do the
11 following:

12 (A) Lease school transportation equipment to others for
13 nonschool use when the equipment is not in use for a school
14 city purpose.

15 (B) Establish a professional development and technology fund
16 to be used for:

17 (i) professional development; or

18 (ii) technology, including video distance learning.

19 (C) Transfer funds obtained from sources other than state or
20 local government taxation to any account of the school
21 corporation, including a professional development and
22 technology fund established under clause (B).

23 (5) Transfer funds obtained from property taxation to the general
24 fund (established under IC 21-2-11) and the school transportation
25 fund (established under IC 21-2-11.5), subject to the following:

26 (A) The sum of the property tax rates for the general fund and
27 the school transportation fund after a transfer occurs under this
28 subdivision may not exceed the sum of the property tax rates
29 for the general fund and the school transportation fund before
30 a transfer occurs under this subdivision.

31 (B) This subdivision does not allow a school corporation to
32 transfer to any other fund money from the debt service fund
33 established under IC 21-2-4.

34 SECTION 4. IC 20-26-5-4, AS ADDED BY P.L.1-2005, SECTION
35 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,
36 2006]: Sec. 4. In carrying out the school purposes of a school
37 corporation, the governing body acting on the school corporation's
38 behalf has the following specific powers:

39 (1) In the name of the school corporation, to sue and be sued and
40 to enter into contracts in matters permitted by applicable law.

41 (2) To take charge of, manage, and conduct the educational affairs
42 of the school corporation and to establish, locate, and provide the

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necessary schools, school libraries, other libraries where permitted by law, other buildings, facilities, property, and equipment.

(3) To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's previous year's average daily membership (as defined in IC 21-3-1.6-1.1) to promote the best interests of the school corporation through:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(4) To:

(A) Acquire, construct, erect, maintain, hold, and contract for construction, erection, or maintenance of real estate, real estate improvements, or an interest in real estate or real estate improvements, as the governing body considers necessary for school purposes, including buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or purchase money contracts providing for a retention of a security interest by the seller until payment is made or by notes where the contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or IC 21-5-12.

(B) Repair, remodel, remove, or demolish, or to contract for the repair, remodeling, removal, or demolition of the real estate, real estate improvements, or interest in the real estate or real estate improvements, as the governing body considers necessary for school purposes.

(C) Provide for energy conservation measures through utility

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energy efficiency programs or under a guaranteed energy savings contract as described in IC 36-1-12.5.

(5) To acquire personal property or an interest in personal property as the governing body considers necessary for school purposes, including buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by cash purchase or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where the contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish the personal property. All purchases and contracts delineated under the powers given under subdivision (4) and this subdivision are subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of state agencies as provided in section 6 of this chapter.

(6) To sell or exchange real or personal property or interest in real or personal property that, in the opinion of the governing body, is not necessary for school purposes, in accordance with IC 20-26-7, to demolish or otherwise dispose of the property if, in the opinion of the governing body, the property is not necessary for school purposes and is worthless, and to pay the expenses for the demolition or disposition.

(7) To lease any school property for a rental that the governing body considers reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children five (5) years of age through fourteen (14) years of age that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if payment for the property subject to a long term lease is made from money in the school corporation's debt service fund, all proceeds from the long term lease must be deposited in the school corporation's debt service fund so long as payment for the

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property has not been made. The governing body may, at the governing body's option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(8) To:

(A) Employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-5), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and other personnel or services as the governing body considers necessary for school purposes.

(B) Fix and pay the salaries and compensation of persons and services described in this subdivision.

(C) Classify persons or services described in this subdivision and to adopt schedules of salaries or compensation.

(D) Determine the number of the persons or the amount of the services employed or contracted for as provided in this subdivision.

(E) Determine the nature and extent of the duties of the persons.

The compensation, terms of employment, and discharge of teachers are, however, subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers is subject to and governed by laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of the school corporation must be submitted to the state board of accounts for approval to the end that the services are used by the school corporation when the governing body determines that it is in the best interest of the school corporation while at the same time providing reasonable accountability for the funds expended.

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(9) Notwithstanding the appropriation limitation in subdivision (3), when the governing body by resolution considers a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit the employee to be absent in connection with the trip without any loss in pay and to refund to the employee or to the member the employee's or member's reasonable hotel and board bills and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities.

(10) To transport children to and from school, when in the opinion of the governing body the transportation is necessary, including considerations for the safety of the children and without regard to the distance the children live from the school, the transportation to be otherwise in accordance with applicable law.

(11) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate the lunch program, and the purchase of material and supplies for the lunch program, charging students for the operational costs of the lunch program, fixing the price per meal or per food item. To operate the lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in a surplus commodity or lunch aid program.

(12) To purchase textbooks **and** to furnish textbooks without cost ~~or to rent textbooks to students; to participate in a textbook aid program; all in accordance with applicable law.~~ **under IC 20-26-12-16.**

(13) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(14) To levy taxes, to make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with applicable law. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 21-2-21.

(15) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or the school corporation's employees in connection with motor vehicles or property and for additional coverage to the

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1 extent permitted and in accordance with IC 34-13-3-20. To
 2 purchase additional insurance or to establish and maintain a
 3 program of self-insurance protecting the school corporation and
 4 members of the governing body, employees, contractors, or agents
 5 of the school corporation from liability, risk, accident, or loss
 6 related to school property, school contract, school or school
 7 related activity, including the purchase of insurance or the
 8 establishment and maintenance of a self-insurance program
 9 protecting persons described in this subdivision against false
 10 imprisonment, false arrest, libel, or slander for acts committed in
 11 the course of the persons' employment, protecting the school
 12 corporation for fire and extended coverage and other casualty
 13 risks to the extent of replacement cost, loss of use, and other
 14 insurable risks relating to property owned, leased, or held by the
 15 school corporation. To:

16 (A) participate in a state employee health plan under
 17 IC 5-10-8-6.6;

18 (B) purchase insurance; or

19 (C) establish and maintain a program of self-insurance;
 20 to benefit school corporation employees, including accident,
 21 sickness, health, or dental coverage, provided that a plan of
 22 self-insurance must include an aggregate stop-loss provision.

23 (16) To make all applications, to enter into all contracts, and to
 24 sign all documents necessary for the receipt of aid, money, or
 25 property from the state government, the federal government, or
 26 from any other source.

27 (17) To defend any member of the governing body or any
 28 employee of the school corporation in any suit arising out of the
 29 performance of the member's or employee's duties for or
 30 employment with, the school corporation, if the governing body
 31 by resolution determined that the action was taken in good faith.
 32 To save any member or employee harmless from any liability,
 33 cost, or damage in connection with the performance, including the
 34 payment of legal fees, except where the liability, cost, or damage
 35 is predicated on or arises out of the bad faith of the member or
 36 employee, or is a claim or judgment based on the member's or
 37 employee's malfeasance in office or employment.

38 (18) To prepare, make, enforce, amend, or repeal rules,
 39 regulations, and procedures for the government and management
 40 of the schools, property, facilities, and activities of the school
 41 corporation, the school corporation's agents, employees, and
 42 pupils and for the operation of the governing body, which rules,

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regulations, and procedures may be designated by an appropriate title such as "policy handbook", "bylaws", or "rules and regulations".

(19) To ratify and approve any action taken by a member of the governing body, an officer of the governing body, or an employee of the school corporation after the action is taken, if the action could have been approved in advance, and in connection with the action to pay the expense or compensation permitted under IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 or any other law.

(20) To exercise any other power and make any expenditure in carrying out the governing body's general powers and purposes provided in this chapter or in carrying out the powers delineated in this section which is reasonable from a business or educational standpoint in carrying out school purposes of the school corporation, including the acquisition of property or the employment or contracting for services, even though the power or expenditure is not specifically set out in this chapter. The specific powers set out in this section do not limit the general grant of powers provided in this chapter except where a limitation is set out in IC 20-26-1 through IC 20-26-5, IC 20-26-7, IC 21-2-19, and IC 21-2-21 by specific language or by reference to other law.

SECTION 5. IC 20-26-5-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 17. (a) If a school lunch fund is established under section 15 of this chapter, ~~and a textbook rental fund is established under section 16 of this chapter;~~ the receipts and expenditures from ~~a~~ **the fund for the a school lunch program to which the fund relates** shall be made to and from the fund without appropriation or the application of other statutes and rules relating to the budgets of municipal corporations.

(b) If ~~either the lunch program or textbook rental program~~ is handled through the extracurricular account, the governing body of the school corporation shall approve the amount of the bond of the treasurer of the extracurricular account in an amount considered by it sufficient to protect the account for all funds coming into the hands of the treasurer of the account.

SECTION 6. IC 20-26-12-1, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) Except as provided in ~~subsections~~ **subsection (b) and (c)** and notwithstanding any other law, each governing body shall purchase from a contracting publisher, at a price

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equal to or less than the net contract price, the textbooks adopted by the state board and selected by the proper local officials. ~~and shall rent these textbooks to each student enrolled in a public school that is:~~

(1) in compliance with the minimum certification standards of the board; and

(2) located within the attendance unit served by the governing body.

(b) This section does not prohibit the purchase of textbooks at the option of a student or the providing of free textbooks by the governing body under sections 6 through 21 of this chapter.

(c) (b) This section does not prohibit a governing body from suspending the operation of this section under a contract entered into under IC 20-26-15.

SECTION 7. IC 20-26-12-2, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A governing body may purchase from a contracting publisher, at a price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials **to carry out section 16 of this chapter.**

(b) **In addition to textbooks purchased under subsection (a),** the governing body may **purchase sufficient textbooks to rent these textbooks** to students enrolled in any public or nonpublic school that is:

(1) in compliance with the minimum certification standards of the state board; and

(2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the textbooks.

(b) (c) Notwithstanding subsection (a); (b), the governing body may not assess a rental fee **to a nonpublic school** of more than fifteen percent (15%) of the retail price of a textbook that has been:

(1) adopted for usage by students under IC 20-20-5;

(2) extended for usage by students under IC 20-20-5-2; and

(3) paid for through ~~rental fees previously collected: textbook grants under IC 21-3-1.7-11.~~

(c) (d) This section does not limit other laws.

SECTION 8. IC 20-26-12-6, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) ~~Sections 7 through 21 of this chapter apply to elementary and high school libraries that contain free textbooks. The textbooks must be adopted by the board and selected by the proper local officials.~~

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(b) As used in sections 6 through 21 of this chapter, "resident student" means a student enrolled in any of the grades in any school located in a school corporation, whether the student resides there or is transferred there for school purposes.

SECTION 9. IC 20-26-12-13, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. ~~If a sufficient petition is filed under section 11 of this chapter, a~~ **The governing body shall note on the records of the governing body's a school corporation that by filing the petition the school corporation must shall** maintain:

(1) an elementary school library containing textbooks in sufficient numbers to meet the needs of every resident student in each of the first eight (8) grades of each elementary school located within the school corporation; or

(2) a high school library containing textbooks in sufficient numbers to meet the needs of every resident student in each of the four (4) grades of each high school located within the school corporation;

as applicable.

SECTION 10. IC 20-26-12-15, AS ADDED BY P.L.231-2005, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) A governing body shall requisition the necessary textbooks from the contracting publishers approved by the state board. The contracting publisher shall ship the textbooks to the governing body not more than ninety (90) days after the requisition. On receipt of the textbooks, the governing body's school corporation has custody of the textbooks. The governing body shall provide a receipt to the contracting publisher and reimburse the contracting publisher the amount owed by the school corporation **appropriate the money necessary to purchase textbooks for a library under section 13 of this chapter** from the school corporation's **general textbook fund**.

(b) A governing body shall purchase textbooks:

(1) from a resident student who presents the textbooks for sale on or before the beginning of the school term in which the books are to be used;

(2) with money from the school corporation's general fund; and

(3) at a price based on the original price to the school corporation minus a reasonable reduction for damage from usage.

SECTION 11. IC 20-26-12-16, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16. ~~Upon receipt of the textbooks, A governing body shall loan the all~~ **textbooks used by the school corporation** at no

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charge to each resident student. Library textbooks are available to each resident student under this chapter and under regulations prescribed by the superintendent and governing body of the school corporation.

SECTION 12. IC 20-26-12-17, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 17. ~~(a)~~ If a student transfers to a school corporation other than the one in which the student resides under IC 20-26-11, the governing body of the school corporation to which the student transfers shall purchase a sufficient supply of books for the transferred student.

~~(b) In the annual settlement between the school corporations for tuition of transferred students, the amounts must include rental of the books furnished to the transferred students. The state board shall determine the rental rate.~~

SECTION 13. IC 20-26-12-22, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 22. If a school corporation purchases textbooks on a time basis:

(1) the schedule for payments shall coincide with ~~student payments distributions under IC 21-3-1.7-11~~ to the school corporation for ~~textbook rental; textbooks;~~ and

(2) the schedule must not require the school corporation to assume a greater burden than payment of twenty-five percent (25%) within thirty (30) days after the beginning of the school year immediately following delivery by the contracting publisher with the school corporation's promissory note evidencing the unpaid balance.

SECTION 14. IC 20-26-12-23, AS ADDED BY P.L.1-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 23. (a) A school corporation may:

(1) borrow money to buy textbooks; and

(2) issue notes, maturing serially in not more than six (6) years and payable from its ~~general textbook~~ fund, to secure the loan.

However, when an adoption is made by the state board for less than six (6) years, the period for which the notes may be issued is limited to the period for which that adoption is effective.

(b) Notwithstanding subsection (a), a school township may not borrow money to purchase textbooks unless a petition requesting such an action and bearing the signatures of twenty-five percent (25%) of the resident taxpayers of the school township has been presented to and approved by the township trustee and township board.

SECTION 15. IC 20-26-15-5, AS ADDED BY P.L.1-2005,

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SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. Notwithstanding any other law, the operation of the following is suspended for a freeway school corporation or a freeway school if the governing body of the school corporation elects to have the specific statute or rule suspended in the contract:

(1) The following statutes and rules concerning curriculum and instructional time:

IC 20-30-2-7

IC 20-30-5-8

IC 20-30-5-9

IC 20-30-5-11

511 IAC 6-7-6

511 IAC 6.1-3-4

511 IAC 6.1-5-0.5

511 IAC 6.1-5-1

511 IAC 6.1-5-2.5

511 IAC 6.1-5-3.5

511 IAC 6.1-5-4.

(2) The following rule concerning pupil/teacher ratios:

511 IAC 6.1-4-1.

(3) The following statutes and rules concerning textbooks:

IC 20-20-5-1 through IC 20-20-5-4

IC 20-20-5-23

IC 20-26-12-24

~~IC 20-26-12-26~~

IC 20-26-12-28

IC 20-26-12-1

IC 20-26-12-2

511 IAC 6.1-5-5.

(4) 511 IAC 6-7, concerning graduation requirements.

(5) IC 20-31-4, concerning the performance based accreditation system.

(6) IC 20-32-5, concerning the ISTEP program established under IC 20-32-5-15, if an alternative locally adopted assessment program is adopted under section 6(7) of this chapter.

SECTION 16. IC 20-33-5-9, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) If a parent of a child or an emancipated minor who is enrolled in an accredited nonpublic school meets the financial eligibility standard under section 2 of this chapter, the parent or the emancipated minor may receive a reimbursement from the department as provided in this chapter for the costs or some of the costs

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1 incurred by the parent or emancipated minor in fees that are
 2 reimbursable under section 7 of this chapter. The extent to which the
 3 fees are reimbursable under this section may not exceed the percentage
 4 rates of reimbursement under section 7 of this chapter: **subject to the**
 5 **reimbursement limitations imposed under subsection (g).** In
 6 addition, if a child enrolls in an accredited nonpublic school after the
 7 initial request for reimbursement is filed, ~~under subsection (d)~~; the
 8 parent of the child or the emancipated minor who meets the financial
 9 eligibility standard **under section 2 of this chapter** may receive a
 10 reimbursement from the department for the costs or some of the costs
 11 incurred in fees that are ~~reimbursable under section 7 of this chapter~~
 12 **subject to the reimbursement limitations imposed under subsection**
 13 **(g)** by applying to the accredited nonpublic school for assistance. In
 14 this case, this section applies. However, section 10 of this chapter
 15 applies to the making of the supplemental request for reimbursement
 16 by the principal or other designee of the accredited nonpublic school.

17 (b) The department shall provide each accredited nonpublic school
 18 with sufficient application forms for assistance, prescribed by the state
 19 board of accounts.

20 (c) Each accredited nonpublic school shall provide the parents or
 21 emancipated minors who wish to apply for assistance with:

- 22 (1) the appropriate application forms; and
- 23 (2) any assistance needed in completing the application form.

24 (d) The parent or emancipated minor shall submit the application to
 25 the accredited nonpublic school. The accredited nonpublic school shall
 26 make a determination of financial eligibility subject to appeal by the
 27 parent or emancipated minor.

28 (e) If a determination is made that the applicant is eligible for
 29 assistance, subsection (a) applies.

30 (f) To be guaranteed some level of reimbursement from the
 31 department, the principal or other designee shall submit the
 32 reimbursement request before November 1 of a school year.

33 (g) In its request, the principal or other designee shall certify to the
 34 department:

- 35 (1) the number of students who are enrolled in the accredited
- 36 nonpublic school and who are eligible for assistance under this
- 37 chapter;
- 38 (2) the costs incurred in providing:
 - 39 (A) textbooks (including textbooks used in special education
 - 40 and high ability classes); and
 - 41 (B) workbooks and consumable textbooks (including
 - 42 workbooks, consumable textbooks, and other consumable

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- 1 teaching materials that are used in special education and high
 2 ability classes) that are used by students for not more than one
 3 (1) school year;
 4 (3) that each textbook described in subdivision (2)(A) and
 5 included in the reimbursement request (except those textbooks
 6 used in special education classes and high ability classes) has
 7 been adopted by the state board under IC 20-20-5-1 through
 8 20-20-5-4 or has been waived by the state board of education
 9 under IC 20-26-12-28;
 10 (4) that the amount of reimbursement requested for each textbook
 11 under subdivision (3) does not exceed twenty percent (20%) of
 12 the costs incurred for the textbook, as provided in the textbook
 13 adoption list in each year of the adoption cycle;
 14 (5) that the amount of reimbursement requested for each
 15 workbook or consumable textbook (or other consumable teaching
 16 material used in special education and high ability classes) under
 17 subdivision (2)(B), if applicable, does not exceed one hundred
 18 percent (100%) of the costs incurred for the workbook or
 19 consumable textbook (or other consumable teaching material used
 20 in special education and high ability classes);
 21 (6) that the amount of reimbursement requested for each textbook
 22 used in special education and high ability classes is amortized for
 23 the number of years in which the textbook is used; and
 24 (7) any other information required by the department, including
 25 copies of purchase orders used to acquire consumable teaching
 26 materials used in special education and high ability classes.
 27 (h) If the amount of reimbursement requested before November 1
 28 of a particular school year exceeds the amount of money appropriated
 29 to the department for this purpose, the department shall proportionately
 30 reduce the amount of reimbursement to each accredited nonpublic
 31 school. An accredited nonpublic school may submit a supplemental
 32 reimbursement request under section 10 of this chapter. The parent or
 33 emancipated minor is entitled to receive a supplemental reimbursement
 34 only if funds are available. The department shall proportionately reduce
 35 the amount of supplemental reimbursement to the accredited nonpublic
 36 schools if the amount requested exceeds the amount of money available
 37 to the department for this purpose.
 38 (i) The accredited nonpublic school shall distribute the money
 39 received under this chapter to the appropriate eligible parents or
 40 emancipated minors.
 41 (j) Section 7(h) of this chapter applies to parents or emancipated
 42 minors as described in this section.

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(j) A parent receiving other governmental assistance or aid that considers educational needs in determining the entire amount of assistance granted may not be denied assistance if the applicant's total family income does not exceed the standards established by this chapter.

(k) The accredited nonpublic school and the department shall maintain complete and accurate information concerning the number of applicants determined to be eligible for assistance under this section.

(l) The state board shall adopt rules under IC 4-22-2 to implement this section.

SECTION 17. IC 20-33-5-10, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) The principal or other designee of an accredited nonpublic school may make a supplemental request for reimbursement from the department after April 1 but before May 1 of a school year for some or all of the additional costs incurred in fees that are ~~reimbursable under section 7~~ **subject to the reimbursement limitations of section 9(g)** of this chapter by the parent of a child or emancipated minor who enrolls in the accredited nonpublic school after the initial request for reimbursement is filed under section 9(f) of this chapter.

(b) In its supplemental request, the principal or other designee must certify to the department the following:

(1) The number of additional students who enrolled in the accredited nonpublic school as described in subsection (a).

(2) The costs incurred in providing the materials described in section 9(g)(2) of this chapter pertaining to the number of additional students.

(3) The same information as described in section 9(g)(3) through 9(g)(7) of this chapter as pertaining to the number of additional students.

(c) This section applies only if there are funds available. These supplemental distributions shall be made by the department in accordance with section 9(h) of this chapter.

SECTION 18. IC 20-33-5-12, AS ADDED BY P.L.1-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. Under extraordinary circumstances, the township trustee may pay for the fees ~~enumerated in section 3 of this chapter for supplies or other required class fees~~ for individuals who ~~do not otherwise qualify under the financial eligibility standard established in this chapter.~~ **are enrolled in a school corporation.** Assistance in such cases may be provided by the township trustee

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1 under IC 12-20.

2 SECTION 19. IC 20-33-5-14, AS ADDED BY P.L.1-2005,
3 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2006]: Sec. 14. (a) The school textbook reimbursement
5 contingency fund is established to reimburse ~~school corporations,~~
6 eligible parents of children who attend accredited nonpublic schools
7 and emancipated minors who attend accredited nonpublic schools as
8 provided in section 9 of this chapter for assistance provided under this
9 chapter. The fund consists of money appropriated to the fund by the
10 general assembly. The state superintendent shall administer the fund.

11 (b) The treasurer of state shall invest the money in the school
12 textbook reimbursement contingency fund not currently needed to meet
13 the obligations of the fund in the same manner as other public funds
14 may be invested.

15 SECTION 20. IC 21-2-1-3 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) The trustee, with
17 the advice and consent of the township board, shall use such "seminary
18 lands school account" for the following educational purposes:

19 (1) Each year the trustee shall pay to the ~~parent or legal guardian~~
20 **of school corporation in which** any child, whose residence is
21 within said township, ~~initial is enrolled an amount equal to~~
22 **twenty-five percent (25%) of the** cost for the rental of textbooks
23 ~~used in any elementary or secondary school which distributed~~
24 **under IC 20-26-12 to the student in the school year beginning**
25 **in the calendar year of the distribution under this section if**
26 **the school corporation** has been ~~duly~~ accredited by the state of
27 Indiana. ~~Such reimbursement for the rental of school books shall~~
28 ~~be for the initial yearly rental charge only, and books~~ **Textbooks**
29 ~~subsequently lost or destroyed shall not be paid for from this~~
30 ~~account.~~

31 (2) Students who are residents of said township for the last two
32 (2) years of their secondary education and who still reside within
33 said township shall receive financial assistance in an amount not
34 to exceed an amount determined by the trustee and the township
35 board during an annual review of higher education fees and
36 tuition costs of post-high school education at any accredited
37 college, university, junior college, or vocational or trade school.
38 Amounts to be paid to each eligible student shall be set annually
39 following this review. The amount so paid each year shall be
40 equitable for every eligible student without regard to race,
41 religion, creed, sex, disability, or national origin and must be
42 based on the number of students and the amount of funds

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available each year.

(3) A person who has been a permanent resident of the township continuously for at least two (2) years and who needs educational assistance for job training or retraining may apply to the trustee of the township for financial assistance. The trustee and the township board shall review each application and make assistance available according to the need of each applicant and the availability of funds.

(4) If all the available funds are not used in any one (1) year, said unused funds shall be retained in said account by the trustee for use in succeeding years.

(b) The bond required by law for the trustee shall be increased by an amount equal to the sum of the seminary township school fund and the average annual rental income from said seminary lands.

(c) All funds and accounts provided in this chapter and the accumulation thereof shall be periodically audited and examined in the same manner provided by law for public money.

(d) All expenditures and payments made under this chapter shall be made only after necessary expenditures for the protection and maintenance of the seminary land in good and safe condition are first made from the annual rental income.

SECTION 21. IC 21-2-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. Any self-supporting programs maintained by any school corporation, including but not limited to school lunch, ~~and rental or sale of textbooks~~, may be established as separate funds, separate and apart from the general fund, if no local tax rate is established. ~~therefor.~~

SECTION 22. IC 21-2-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 22. Textbook Fund

Sec. 1. As used in this chapter, "fund" refers to a textbook fund established under section 3 of this chapter.

Sec. 2. As used in this chapter, "textbook" has the meaning set forth in IC 20-18-2-23.

Sec. 3. A school corporation shall establish and administer a textbook fund.

Sec. 4. Money in the fund may be used only for the following purposes:

(1) Repaying interest and principal on loans obtained under IC 20-26-12-23 to purchase textbooks.

(2) Purchasing, repairing, or storing textbooks distributed to

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students under IC 20-26-12.

Sec. 5. A school corporation shall deposit distributions under IC 21-3-1.7-11 in the textbook fund.

Sec. 6. Money in the fund at the end of a school year does not revert to the school general fund.

SECTION 23. IC 21-3-1.7-9, AS AMENDED BY P.L.246-2005, SECTION 200, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8.2 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, in 2005 for enrollment adjustment grants under section 9.5 of this chapter (before its repeal), for academic honors diploma awards under section 9.8 of this chapter, in 2005 for supplemental remediation grants under section 9.9 of this chapter (before its repeal), for primetime distributions under IC 21-1-30, for special education grants under IC 21-3-2.1, and for vocational education grants under IC 21-3-12 for a particular year, exceeds:

(1) three billion seven hundred fifty-nine million three hundred thousand dollars (\$3,759,300,000) in 2005;

(2) three billion ~~seven~~ **eight** hundred ~~fifty-four~~ **ten** million ~~seven~~ **one** hundred thousand dollars (~~\$3,754,700,000~~) **(\$3,810,100,000)** in 2006; and

(3) three billion ~~seven~~ **eight** hundred ~~forty-seven~~ **forty-two** million ~~two~~ **one** hundred thousand dollars (~~\$3,747,200,000~~) **(\$3,842,100,000)** in 2007;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be proportionately reduced so that the total reductions equal the amount of the excess. The amount of the reduction for a particular school corporation is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the distribution for tuition support that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed for tuition support to all school corporations if a reduction were not made under this section.

SECTION 24. IC 21-3-1.7-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 11. (a) In addition to the distributions under sections 8.2 and 9.8 of this chapter, a school**

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corporation is eligible for an amount for textbooks that is equal to the school corporation's current ADM multiplied by ninety-five dollars (\$95).

(b) The distribution received under this section shall be deposited in the school corporation's textbook fund established under IC 21-2-22-3 and used only for the purposes specified in IC 21-2-22-4.

SECTION 25. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2006]: IC 20-23-3-6; IC 20-26-12-7; IC 20-26-12-8; IC 20-26-12-9; IC 20-26-12-10; IC 20-26-12-11; IC 20-26-12-12; IC 20-26-12-14; IC 20-26-12-26; IC 20-33-5-3; IC 20-33-5-5; IC 20-33-5-7; IC 20-33-5-8.

SECTION 26. [EFFECTIVE JULY 1, 2006] **Notwithstanding P.L.246-2005, SECTION 9, the FY 2006-2007 appropriation for: DISTRIBUTION FOR TUITION SUPPORT**

General Fund

Total Operating Expense;
is \$2,194,110,440 and not \$2,099,725,241.

SECTION 27. [EFFECTIVE JULY 1, 2006] (a) A school corporation may not conduct a textbook rental program for a school year beginning after June 30, 2006.

(b) On July 1, 2006, a school corporation shall transfer any unencumbered money in any fund or account used for textbook rental fees to the textbook fund established under IC 21-2-22, as added by this act. The money transferred under this SECTION may be used for any purpose for which other money in the textbook fund may be used.

(c) Notwithstanding IC 21-3-1.7-11, as added by this act, a school corporation is entitled in 2006 to only fifty percent (50%) of the amount of the textbook grant specified in IC 21-3-1.7-11, as added by this act, to be distributed in six (6) monthly installments.

(d) This SECTION expires January 1, 2007.

SECTION 28. [EFFECTIVE JULY 1, 2006] (a) The department of local government finance shall reduce the:

(1) maximum permissible ad valorem property tax levy imposed by IC 6-1.1-18.5-3; and

(2) township assistance levy;

of each township to reflect the effect of the repeal of IC 20-33-5-3 by this act on the obligation of township trustees to pay school fees under IC 20-33-5-12, as amended by this act.

(b) The department of local government finance shall reduce the:

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- 1 (1) maximum permissible ad valorem tax levy imposed by
2 IC 6-1.1-19-1.5; and
3 (2) general fund property tax levy;
4 of each school corporation that operated an elementary school
5 library or high school library under IC 20-26-12 (as effective on
6 June 30, 2006) to provide free textbooks to resident students before
7 July 1, 2006, to reflect the transfer of textbook funding to the
8 textbook fund established under IC 21-2-22, as added by this act.
9 (c) Any loan:
10 (1) obtained to purchase textbooks (as defined in
11 IC 20-18-2-23, as amended by this act); and
12 (2) payable from a school general fund before July 1, 2006;
13 shall be paid from the school textbook fund after June 30, 2006.
14 (d) This SECTION expires January 1, 2007.

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